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C/ 1275



## BOARD NOTE



Item No	13
Board Meeting No.	604
Date of Meeting	07.07.2017
Sponsoring HOD	Manager (TS-I)

A) Sub: Policy for Grant of an Extension in Time for Completion of construction, in case of Plots leased by the Corporation in the light of directives received from Urban Development Department, GOM vide Letter No. सीआयडी-३३१७/प्र.क्र.१०५ /न.वि.१०, दिनांक १९.०४.२०१७.

B) Issue of Consideration :-

Revised policy in respect of grant of Extension in Time Period for Completion of Construction in light of directives received from Urban Development Department, GOM vide Letter No. सीआयडी-३३१७/प्र.क्र.१०५ /न.वि.१०, दिनांक १९.०४.२०१७.

C) Nature of Approval :

Appraisal note	Allotment	Administrative approval	Financial approval	Policy	Other (please specify)
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D) Details of proposal:-

1. In pursuance to Regulation (3) of New Bombay Disposal of Lands Regulation (NBDLR), 1975 AND subsequently Regulation (4) of Navi Mumbai Disposal of Lands (Amendment) Regulations (NMDL(A)R), 2008, the Corporation is allotting plots for various users in Navi Mumbai.
2. As per the provisions of Regulation (7) of Navi Mumbai Disposal of Lands (Amendment) Regulations, 2008, the Licensee is required to complete the construction within 4 years from the date of Agreement to Lease, Provided the building/s to be so constructed shall not be less than 50% of the Floor Space



Index granted to the Social Facility Plots and 75% of the Floor Space Index granted to the plots for other users as per Regulation (7) of NMDL(A)R,2008.

3. As per provisions of Regulation (6) of NBDLR 1975, the intending lessee was required to complete the construction within the time prescribed by the Managing Director. Initially, a construction period of three years was prescribed in the Agreements. However, as the time progressed, need was felt to revise the norms for construction period, at different point of time and accordingly, the Corporation framed various Board Resolutions to govern the same. A gist of such BRs is provided below:

**Table-A**

Sr. No	B.R. No.	Date	Type of Allottees	Construction period
1	4731	02.06.1989	a) Central/State Govt/ Corporation /Company owned by Govt.	5 years
			b) Rest of the Allottees	4 years
2	7673	10.03.1998	a) Plots of area $\leq$ 1000 sq.myr. and FSI 1 & above	5 years
			b) Central/ State Govt/Govt. Undertakings / Trusts/Societies registered under relevant act	5 years
			c) Rest of the Allottees	4 years
3.	7824	23.09.1998	All	5 years
4.	7977	10.06.1999	All	6 years
5.	9126	06.11.2004	a) Central/State Govt/Govt. Undertakings / Trusts/Societies registered under relevant act	5 years
			b) Rest of the Allottees	4 years

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P/5 C/S

C/279



Subsequently, vide Regulation (7) of NMDL(A)R, 2008, the construction period was uniformly kept as 4 years for all allotted Plots after publication of these Regulations.

4. As regards maximum extension period permissible and levy of additional lease premium (ALP) for grant of time extension, originally as per Regulation (7) of NBDLR, 1975, maximum 03 years extension was permitted at the prescribed cumulative rates. Subsequently, the Government granted an approval for amendment to this Regulation (7), by which power to determine the scale/rate of Addl. Lease Premium were given to the Corporation. Accordingly, the Corporation decided the scale for levy of Addl. Lease Premium. This scale was further modified vide BR No. 8799 dtd.18.07.2003 by providing different scales for plots allotted by tender and plots allotted at base rate. In essence, the extendable period and corresponding Addl. Lease Premium, can be summarized as under:

**Table -B**

Sr No.	Time Extension	ALP as % of Lease Premium paid			
		NBDLR, 1975	ALP Rates applicable prior to 18.07.2003	BR 8799 dtd.18.07.2003 (tender plots)	BR 8799 dtd.18.07.2003 (plots allotted at fixed rate without tender)
1	Upto 1 year	25	15	5	10
2	From 1 year to 2 year	35	25	10	15
3	From 2 year to 3 year	45	35	15	20
4	From 3 year to 4 year	-----	40	25	30
5	From 4 year to 5 year	-----	40	25	30
6	From 5 year to 6 year	-----	40	35	40
7	Form 7 year & above	-----	50	35	40

P/7 - 5/7

C/281



Also, vide BR No. 8170 dtd. 05.08.2000 a proposal was approved to the effect that whenever the extension of time approved, covers a part of the year, Addl. Lease Premium in respect of such part of the year may be calculated in proportion of months instead of a full year. Under the said BR, it was further approved that Addl. Lease Premium shall not be leviable whenever 50% of the permissible FSI has been consumed by the Educational and Social Institutions and 75% of the FSI has been consumed in respect of plots allotted for other users, within the period prescribed in the Agreement.

5. NBDLR, 1975 as well as subsequent amendment to it (approved by the Govt. Vide letter dtd. 18.01.2000) stipulated that the time extension is to be granted only if the intending lessee obtains development permission and commences the construction. However, provisions of para 6(a) of the BR No. 8799 implied that the intending lessee, on payment of applicable additional premium, shall be granted time extension for completion of construction upto the end of 6<sup>th</sup> year of extension, irrespective of whether the intending lessee has commenced the work or otherwise. However, if the intending lessee has not commenced the construction of the building upto the 7<sup>th</sup> year of extension, irrespective of all other rights vested with the Corporation, the Agreement to Lease in respect of such plots was liable to be terminated and the plot was liable to be resumed with immediate effect. Time and again, the Corporation was receiving requests from various quarters in cases where the intending lessee could not commence the construction within maximum period prescribed as per the said BR No. 8799. Hence, recently a policy was framed by the Corporation in respect of such cases vide BR No. 10806 dtd. 17<sup>th</sup> May 2013. The proposal was forwarded to Government for approval, vide letter dtd. 06.08. While considering this proposal, the Government deemed it fit to seek opinion from Advocate General regarding the applicability and validity of NBDLR, 1975. As per the opinion expressed by the Advocate General, NBDLR, 1975 has impliedly repealed, as NMDL(A)R 2008 i.e. amended Regulations are effectuated in November 2008.
6. In light of the above development, the Board, vide BR no. 11077 dtd. 06.06.2014 approved the proposal for amendment in Regulation 8 & 25 of NMDL(A)R, 2008 and also resolved to seek approval of the Government. Vide letter dtd. 11.08.2014,

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(283)



the Government conveyed its approval for amendment to Regulation 08 & 25 of NMDL(A)R, 2008. The amended Regulation (8) is reproduced below for ready reference:

**"Permission for extension of time:** If the intending Lessee does not complete the construction within the time stipulated in Regulation 7, the Managing Director may permit extension of time on such terms and conditions and on payment of such additional premium as may be determined by the Corporation from time to time by general or special order. The Corporation shall be competent to prescribe the maximum period of extension for completing the construction in respect of different categories of plots and it shall be lawful for the Corporation before expiry of the prescribed maximum period of extension.

**Explanation:** Extension of time under these Regulations may be given as provided above, notwithstanding any previous extension that might have been given under the New Bombay Disposal of Land Regulations, 1975."

7. As per the amendment to Regulation (8) of NMDL(A)R, 2008, VC & MD is empowered to grant time extension on such terms and conditions and on payment of such Additional Lease Premium as may be determined by the Corporation from time to time. In light of Amendments to Regulation 08 and 25 of Navi Mumbai Disposal of Lands (Amendment) Regulations, 2008, duly approved by the Government Corporation devised a Policy for grant of Extension in Time Period for Completion of Construction in case of plots lease by the Corporation vide BR. No.11175 dtd. 19.08.2014. As per this policy the extension in construction period was permissible upto 12 years beyond the permissible construction period and the Addl. Lease Premium was charged as per the Table 'C' given hereunder. For 1<sup>st</sup> to 6<sup>th</sup> years of extension the scale of the Addl. Lease Premium was tagged with the Lease Premium paid by the Licensee and for the 7<sup>th</sup> to 12<sup>th</sup> year of extension the scale of the Addl. Lease Premium was tagged with the Base Price of the respective Plot which is defined as per the Land Pricing and Disposal Policy of the Corporation.

**Table -C**  
**ALP Rates Applicable cumulatively after Expiry of Mandatory Construction Period.**

Sr. No.	Period	Plot area upto & including 40 sqm	Plot area more than 40 sqm	Govt. Organisations as defined in Regulation 4 (i) of NMDL(A)R,2008	Religious Plot as defined in Regulation 1(iii) (b) of NMDL(A) R,2008	plots allotted at fixed rate without tender
1	Upto 1Year	3%	5%	3%	3%	10%
2	For second year	5%	10%	5%	5%	15%
3	For third year	7.5%	15%	7.5%	7.5%	20%
4	For forth year	12.5%	25%	12.5%	12.5%	30%
5	For fifth year	12.5%	25%	12.5%	12.5%	30%
6	For sixth year	20%	35%	20%	20%	40%

8. However on implementation of the BR No.11175 there was substantial increase in the Addl. Lease Premium payable as the scale of the Addl. Lease Premium was tagged to the present day Base Rate and in certain cases it was more than cost of the Plot at the present day Base rate and therefore many representations were received from the Licensees of various categories including a representation from CREDAI BANM. Further there were representations from Government Organisations such as Indian Geomagnetism, Navy, Canteen Stores Depot etc. regarding the amount of Addl. Lease Premium payable as per the BR No.11175. Further there was clarity needed for levy of scale of Addl. Lease Premium for plots allotted before 06.11.2004 for which as per BR No.9126 dt.06.11.2004, a 06 year construction period is granted by the Board. Therefore to address these issues following policy as per BR No.11298 dtd. 13.02.2015 was devised and the scale of the Addl. Lease Premium approved was as per the following Table 'D'.

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PHS 413

1287



**Table -D**

**ALP Rates Applicable cumulatively after Expiry of Mandatory Construction Period.**

Sr. No.	Period	Plot area upto & including 40 sqm	Plot area more than 40 sqm	Govt. Organisations as defined in Regulation 4 (i) of NMDL(A)R, 2008		Religious Plot as defined in Regulation 4(iii) (b) of NMDL(A) R, 2008	Other SF Plots allotted at Fixed Rate	Remarks
	1	2	3	4		5	6	7
				State Govt. its Undertakings and Central Govt.	Other Corporations and Undertakings of Govt.			
1	Upto 1Year	3%	5%	3%	3%	3%	10%	As percentage of the Lease Premium paid by the Licensee
2	For 2 <sup>nd</sup> year	3%	10%	3%	5%	3%	15%	
3	For 3 <sup>rd</sup> year	3%	15%	3%	7.5%	3%	20%	
4	For 4 <sup>th</sup> year	3%	25%	3%	12.5%	3%	30%	
5	For 5 <sup>th</sup> year	3%	25%	3%	12.5%	3%	30%	
6	For 6 <sup>th</sup> year	3%	35%	3%	20%	3%	40%	
7	For 7 <sup>th</sup> year	3%	5%	3%	3%	3%	10%	As percentage of the applicable extent of the Base Price for category No.03.
8	For 8 <sup>th</sup> year	3%	10%	3%	5%	3%	15%	
9	For 9 <sup>th</sup> year	3%	15%	3%	7.5%	3%	20%	
10	For 10 <sup>th</sup> year	3%	25%	3%	12.5%	3%	30%	In case of Fixed rate plots the ALP shall be worked out at 40% of the Base Price and for tender Plots the ALP shall be worked out at 80% of the Base Price.
11	For 11 <sup>th</sup> year	3%	25%	3%	12.5%	3%	30%	
12	For 12 <sup>th</sup> year	3%	35%	3%	20%	3%	40%	

*G. Dhanu*

P/15 445  
C/289



While according approval the Board approved as follows,

- i) The rate of ALP shall be 0% for State Govt. and its undertakings as against 3% shown in the Table.
  - ii) In case of Plots covered under Dr. D. K. Shankaran Committee if the number of ineligible members regularized by replacing such members by the eligible members is less than 10% of the total members then the stay period is to be treated as extension at 0% of ALP.
  - iii) Plots which have been allotted prior to 1996 are considered for Amnesty Scheme wherein last and final offer will be made for maximum period of 04 years for completion of minimum prescribed construction. Levy of the Addl. Lease Premium will be at the maximum applicable rate for the period beyond 18 years.
9. Although the policy approved vide B.R. No. 11175 was modified with required modifications vide B.R.No.11298 still there were representations from many licensees/lessees wherein they had pointed out following issues:
- i) In case of bungalow plots in Panvel and similar building plots also wherein in the early days of development of the city of Navi Mumbai, the Corporation had granted occupancy certificate and subsequent lease of the land to the plot holders even with consumption of the FSI as less as 10% of the permissible FSI which is very much less than minimum prescribed FSI required to be consumed by the licensee for treating the development as substantially completed (50% for social facility plots and 75% for other plots) and therefore whenever these plot holders approach Corporation for mortgage or further development of the remaining FSI the penalty calculated with new B.R.s was very high and therefore the licensee refused to pay such penalty and instead requested to reconsider the policy.
  - ii) Prior to B.R. No. 11175 there was provision for granting extension in construction period for part of the year in completed months which was withdrawn while devising policy as per B.R.No.11175 and many of the licensees were insisting upon re-introduction of the same.
  - iii) The plot holders had also demanded for accepting Architect's Completion Certificate as the proof of completion of the building and on the basis of same the additional lease premium should be calculated till the date of such Completion Certificate issued by an Architect. Whereas in

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P/17 C/17  
d291



B.R.No.11175 the provision is made to recover additional lease premium till the date of occupancy certificate issued by the respective Planning Authority.

- iv) In case of tendered plots it was resolved in B.R.No.11298 to charge additional lease premium @ 80% of the Base Rate cost for 7<sup>th</sup> to 12<sup>th</sup> year of extension whereas for all other plots excluding social facility plots it was to be charged @ 40% of the Base Rate cost. This was also represented by Builder Association such as CREDAI BANM as inappropriate which needed further consideration.
- v) In case of social facility plots the extension from 7<sup>th</sup> to 12<sup>th</sup> year was tagged to 100% of the Base Rate cost which was huge burden on the Trusts developing the social facility plots, therefore there was strong representation to reduce this burden.
- vi) In case of CIDCO built structures such as school buildings, colleges and hospital plots etc. which were developed by CIDCO in 80s and 90s, CIDCO had not obtained occupancy certificate for such buildings and therefore whenever the plot holders of such properties approached Estate Deptt., the additional lease premium was calculated on entire area even though substantial development had been completed by CIDCO itself before handing over the plot to the licensee/lessee and therefore this issue was also needed to be considered.

In order to address these issues and to have all encompassing policy which would not require further review or consideration, Corporation appointed an expert committee under the Chairmanship of Shri J.K. Banthia, Ex.Chief Secretary, GoM, and other members of the committee were Shri Samant Ex. CAP CIDCO, Sr. Law Officer, Financial Advisor & M(TS-III). The committee met with representatives of all the stakeholders and heard their grievances and suggestions and then after lot of discussions and deliberations, the committee submitted its report recommending the suggestions to be incorporated in the policy for grant of extension in construction period and the same was put up before the Board in its 591<sup>st</sup> meeting conducted on 06.05.2016 and the committee report was accepted by the Board vide B.R.No.11628, dtd., 0.05.2016 (ANNEXURE-II).

P/19 415  
C/293



10. After revising the extension policy as per B.R.No.11628 most of the issues were resolved. However, the issue of granting extension @ 0% additional lease premium in case of delay caused in obtaining statutory compliances from external authorities such as environmental clearance, clearance from aviation authority and other such similar clearances and also inordinate delay caused in processing the requests of time extension in CIDCO itself was again reconsidered which was already taken care of in para. 'D' of B.R.No.11175 and therefore to address this issue, the said policy was further modified as per B.R.No.11674 wherein (i) the relaxation for delay caused in obtaining statutory clearances from other external authorities was permitted to be considered @ 0% additional lease premium only for one year period and rest of the period of delay was to be charged as per applicable percentage of additional lease premium. (ii) Further the delay caused in CIDCO wherein the licensee has been restrained by CIDCO from commencing/continuing the construction for conducting enquiry, for pending audit para. or in case of order from judicial authority etc., the entire delay is to be condoned subject to the condition that the licensee gets cleared of the enquiry, audit para. or judicial issues and there are no breaches of any conditions of agreement to lease.

In the same Board Resolution a 02 years construction period was permitted as final opportunity to the plot holder wherein the plot holder has not even commenced the construction in the eighteen years period which was approved as four years in B. R. No.11298. The Board Resolution No.11674 is enclosed as (ANNEXURE-III).

Further to address the issues of the legacy cases wherein licensee has completed the construction long back may be 20 to 30 years ago and have not obtained occupation certificate due to ignorance or lack of knowledge that they had to obtain such occupation certificate on completion of building from competent authority. Also in some cases the licensee had applied for occupancy certificate which was not further processed by the approving authority or was refused by approving authority on administrative reasons. In such cases the additional lease premium was being calculated till the present day without considering the fact that the licensee has completed the development and has already started use of the property for the allotted purpose. This was causing undue burden on such licensees and therefore to address this issue once again the policy of time

P/21 4/21  
C/295



extension was revised vide B.R.No.11750, dtd., 24/11/2016. The same is enclosed as (ANNEXURE-IV).

#### 11. Reasons for Review of existing Policy

- From the above narration it can be seen that the policy for grant of extension in construction period implemented vide B.R. No. 11175 was somehow not accepted by the plot holders in general and therefore Corporation had to revise the policy at regular intervals to address such grievances and representations. The representations from Mr Atul Agarwal, Chairman BANM and Navi Mumbai Action Committee are collectively placed as Annexure V.
- The B R No.11175 superseded the earlier policy which was framed in 2003 i.e. B.R.No.8799 and was in forces since then. It needs to be mentioned here the policy implemented vide B.R.No.8799 was in force for 11 to 12 years and there was no representation against this policy.
- The method of calculation as per the B.R.No.8799 was very simple and uniform without many categories and without different formulae for various uses.
- After introduction of B.R. No. 11628, further amendments vide BR No 11298 dated 13.02.2015, corrigendum to BR No 11298 vide BR No 11336 dated 27.04.2015, interpretation of these BRs vide BR No 11402 dated 20.07.2015 and further relaxations vide B.R.No.11750 it was expected that the policy for grant of extension in construction period will be resolved and will take care of all the issues raised by the licensees/lessees, however it was observed that still many issues remained unresolved.
- The existing policy is in the form of multiple Board Resolutions
- The process of calculation of Addl. Lease Premium is very cumbersome and involves reference to prevailing Reserve Price and has different formulae for various categories of users.
- Recently the Urban Development Deptt., GoM, vide letter No सीआयडी-३३१७/प्र.क्र.१०५ /न.वि.१०, दिनांक १९.०४.२०१७, has directed to revise the policy for grant of extension in construction period in case of undeveloped plots and has further directed to devise a policy in line with the time extension policy which is in force in MIDC at present and is termed as 'उद्योग संजीवनी योजना 2015'. Ref Annexure VI.

## 12. Constitution of Committee

In view of the above directives of Urban Development Dept., VC&MD has constituted a committee under the Chairmanship of Jt.MD-II and comprising of other members namely Financial Advisor, M(TS-I) and Estate Officer(III), to review the policy of grant of extension in construction period.

The committee examined the various representations received in this regard and discussed the various issues involved and submitted its recommendation and suggestions in its Report. Ref Annexure I.

## 13. Recommendations of the Committee

The various issues were examined by the Committee so as to address the grievances of the stakeholders and to make it reasonable, easy to comprehend and transparent. The recommendations of the Committee are as follows:

### a) Review of decision to consider Base Price for calculation of ALP 7<sup>th</sup> Year onwards.

During the committee discussion it was unanimously felt that the representations received from the plot holders as well as grievances received from various other representative bodies were mainly concerning the period from 7<sup>th</sup> to 12<sup>th</sup> year of extension wherein the additional lease premium is tagged to the present day Base Rate cost which is a dynamic function as the Base Rate cost increases every year. This is due to the fact that the Base Rate is linked to the Reserve Price which is revised every year by Corporation.

The other linkage for arriving at Base Rate is Land Pricing and Land Disposal policy. This policy also is a dynamic function which also is revised by Corporation periodically, although not every year. Last such revision was done in the year 2015 thereby the Base Rate calculations have been further escalated, resulting in to higher magnitude.

The Committee was of the opinion that the Amount of the Lease Premium is mentioned in the Agreement to Lease which is the valid contract between the parties, hence the additional Lease Premium should also be linked to percentages of the Lease premium rather than any other derived amount.

Also it was noted by the committee that during the currency of B.R.No.8799 which was linked to only Lease Premium for levy of additional lease premium, the method of calculation was simple and easily understood by the staff as well as the Licensees. Further the amount of ALP was also reasonable, hence there were no grievances or representations from the plot holders.



P/25 cl/25  
1/299



**Recommendation of Committee:**

The Committee was of the opinion that it is legally and ethically appropriate to tag the levy of additional lease premium for grant of extension in construction period with the original Lease Premium paid by the plot holders.

Accordingly it is recommended to the Board that extension in construction period from 1<sup>st</sup> to 12<sup>th</sup> year of extension i.e. after efflux of the mandatory construction period permitted as per Agreement to Lease, may be similar to that of B.R. No. 8799, wherein, the levy of additional lease premium is only tagged with the Lease Premium paid by the licensee. To compensate the difference and to make the penalty such as to discourage the Licensee in delaying the construction, the percentage levied may be increased.

**b) Reduction of categories made for levy of additional lease premium in B.R. 11175 and B.R.No.11298**

As per the prevailing policy there are 6 different categories which have different percentages for calculation of the additional Lease premium such as Plot area upto & including 40 sqm, Plot area more than 40 sqm, State Govt. its Undertakings and Central Govt., Other Corporations and Undertakings of Govt., Religious Plot as defined in Regulation 4(iii) (b) of NMDL(A) R, 2008, Other SF Plots allotted at Fixed Rate etc. Further beyond 7<sup>th</sup> year the multiplying factor changes from Original Lease Premium to percentage of Base Rate.

**Recommendation of Committee:** The Committee is of the opinion that multiple categories have made the calculation of the ALP very cumbersome, hence the number of categories need to be reduced to just 4, namely (i) Plots allotted by tender, (ii) Plots allotted to State Govt./Central Govt. and its undertakings as defined in Regulation 4 (i) of NMDL(A)R,2008, (iii) plots allotted for Religious purpose and (iv) plots allotted at fixed Price (excluding religious plots).

**c) Waiver of ALP for State Govt. or Central Govt. or their Undertakings**

Vide B.R. No. 11298, the penalty for extension in construction period was to be levied @ 0% in case of plots allotted to State Govt. / Central Govt. & its Undertakings.

**Recommendation of Committee:** After detailed deliberations it was felt by the Committee that this relaxation to State Govt. will cause further delay in development of plot/facilities in case of plots allotted to State Govt. and therefore it was proposed that after efflux of mandatory four years construction period which is provided in the Agreement to lease, further Two years period only shall be provided at 0% penalty for all Govt. plots irrespective of the fact that the plot is allotted to any of the State Governments or Central Govt. or their Undertakings.

The Committee was also of the opinion that the Corporation should seek from such defaulting Govt. entities, a detailed report indicating the effective steps taken by them in furtherance of the development of the plot like seeking necessary approvals from the Competent Authorities towards financing and development permissions, and a Physical and Financial Schedule of Development.

**d) ALP in respect of plots where the Licensee cannot consume entire FSI due to GDCR/LPDP/Agreement restrictions.**


In case of Plots allotted to Petrol Pumps, Sports Complexes and in case of some of the School Plots which are allotted with FSI 1.00 but on restricted area due to provisions of LPDP or GDCR or Agreement to Lease etc., the area permitted for construction is much less than the total plot area (in case of Petrol Pumps as less as only 150 sq.mtr. or 10% of plot area). In such cases, the Addl. Lease Premium for extension in construction period is calculated considering the entire lease premium paid. As a result although the buildable area is less, the ALP is being calculated on the total plot area.

**Recommendation of Committee:**

The Committee has recommended that the ALP for extension in construction period shall be calculated on the basis of the Lease Premium worked out on proportionate buildable area i.e. the area permitted for construction of the requisite facility.

**e) Acceptance of Architects Completion Certificate instead of Occupancy Certificate as proof of completion.**

The issue of acceptance of Architects Completion Certificate instead of Occupancy Certificate as proof of completion had been deliberated exhaustively by the Banthia Committee and they had recommended that the



P/29 C/29  
e/305



date of the Occupancy Certificate shall be the cut-off date for levy of ALP till COPAS is effectively implemented and then revisit the issue.

Subsequently vide B.R. No. 11750, Corporation has approved to grant concessions of 25% if the Architect's virtual completion certificate and 50% in case the OC is refused for administrative reasons.

**Recommendation of Committee:**

The Committee was of the opinion that the BR No 11750 has addressed this issue thoroughly and the same should be continued. The Board Resolution is reproduced as follows:

Sr. No.	Scenario	Proposal
1	Legacy cases wherein the intending lessee had completed the construction on the basis of the Architect's Completion Certificate but not applied for OC	To offer rebate of 25% of applicable addl. Premium for the premium payable from the date of Architect's Completion Certificate till the applicable date as considered for grant of time extension and No Dues Certificate.
2	Legacy cases wherein the intending lessee had completed the construction on the basis of Architect's Completion Certificate and applied for grant of Occupancy Certificate but request for OC was refused by the Competent Authority Also, in some cases the authority upon receipt of application for OC has neither granted the OC till date nor communicated any reason for	a) To offer a rebate of 50% of applicable lease premium for the premium payable from the date of such Architect's completion Certificate till the applicable date as considered for grant of No Dues Certificate, in case their request for grant of OC has been refused for administrative reasons.  b) Where the refusal issued by the Competent Authority is for technical reasons elaborated above which pertains to actual construction on ground, no rebate/

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P/31  
c/307



	the same to the intending lessee in which case, it is justifiable to extend the same rebate to such intending lessee.	concession shall be granted to the intending lessee in calculation of addl. Premium.
3	Present day cases wherein the intending lessee has completed the construction and approached the Corporation for grant of No Dues Certificate for procuring OC, by duly submitting the Completion Certificate issued by the Architect of the project.	The addl. Premium shall be calculated considering the date of Architect Completion Certificate as the cutoff date

However, it will be mandatory for the intending lessee to obtain OC within 06 (Six) months from the date of issue of such 'No Dues Certificate' (for sr. no.2&3 above) failing which the addl. premium at full rate shall be charged retrospectively till the date of grant of OC in such cases. Additionally in case of sr. No.3, if the OC is refused due to any deviation in the Architects Completion Certificate with respect to completion of construction on ground, then the concerned Architect will be blacklisted by the Corporation and this will be communicated suitably to the Council of Architects. This clause should be specifically mentioned in the NOC to be issued.

**f) Various cases eligible for Waiver of ALP**

1. For Delay in approvals from Statutory Govt. Agencies, namely CZMA and MPCB, Airport Authority, Railways etc, as per the prevailing policy vide BR No 11402 dated 20/7/2015 "In respect of waiver as per Para No. 7(d) of Resolution no.11175 dated 19/8/2014, reasonable period for getting any approval from any Govt. authority is taken as six months period and he will get no waiver of ALP for that period provided he has adequate proof to show that he has violated due procedure and applied well within time in the prescribed manner and issued with diligence."

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40  
P/33

C/359



**Recommendation:** The Committee is of the Opinion that a maximum period of two years waiver at 0% ALP shall be granted concurrently from the date of submission of application to the Authority.

**Note:** MD has approved a maximum period of one year and the same is now recommended in the Board Note

**2. Delay due to Inquiry/ Audit / Court cases wherein CIDCO is a party**

**Recommendation:** The Committee was of the opinion that, the modification to BR No 11628 shall prevail and is reproduced below:

"Whenever the intending lessee has been restrained by CIDCO from commencing/continuing the construction based on Inquiry/Govt. Audit Para/ Order of any Judicial Authority and subject to the condition that the particular case is absolved of irregularity after completion of such Inquiry/closure of Govt. Audit/ vacation of Order of the Judicial Authority; as the case may be, then such period of restraint shall be considered as time extension granted by levying ALP at 0%, subject to condition that the intending Lessee has not made breaches of any conditions of Agreement to Lease."

**3. Cases covered under D.K. Shankaran Committee:**

**Recommendation:** The Committee was of the opinion that, the policy as per BR No 11298 shall continue and is reproduced below:

"In respect of plots covered under Dr. D.K. Shankaran Committee and those Societies which are regularized by replacing ineligible members with eligible members wherein the percentage of such ineligible members does not exceed 10% of the total members, the proposal to condone the stay period as time extension granted with 0% ALP for the respective period, in partial modification to Para 7 (d) (i) of BR No. 11175 dated 19.08.2014, be and is hereby approved."

**g) Delay in processing applications received for Extension in time, by the Estate Dept.**

Many stakeholders have represented that there are inordinate delays for processing of the applications for grant of extension in construction period even after submitting all the necessary documents and have represented that such delays are attributed to CIDCO and the Licensees should not be made to pay for the time taken from the date of submission of the application to date of issue of No Dues Certificate.

*A. Pham*

C/35  
P/35  
C/311



**Recommendation of Committee:** the Committee deliberated this issue and it was of the opinion that a period of 90 days is the reasonable time required to process the application. Any additional time required beyond this period shall not be considered for calculation of the ALP for extension in time, provided there are no breaches committed by the Licensee of the conditions of the Agreement to Lease. The Jt. MD shall be authorized to approve each case on merits.

**h) Extension in construction period only at the discretion of the Corporation**

The Committee further noted that as per the provisions of the Regulation 7 of the NMDL(A) R 2008, the policy of grant of extension in time shall be exercised at discretion of the Managing Director of the Corporation and is not a matter of right for the Licensee and the Managing Director may refuse to grant the extension in case the Licensee seems to be incapable of fulfilling his obligation to complete the construction and when such facilities are essential for the city and the Managing Director is of the opinion that it would be more appropriate to terminate the Agreement to Lease and resume the plot and retender the same for the benefit of the development of the city.

**i) Cases where CC not obtained even after 16 years from Agreement to Lease**

As per the prevailing policy, wherever the licensee has not obtained development permission and the maximum extendable period from the date of Agreement to Lease (18 years in case of plots allotted prior to 06.11.2004 and 16 years for plots allotted after implementation of NMDLAR 2008), has expired, a last chance giving maximum two years of extension period by charging ALP at the highest slab applicable for the respective category shall be considered to complete the construction failing which plot shall be resumed. For these types of cases where the maximum extendable period has lapsed, amnesty scheme will be declared and wide publicity will be given for the same to ensure maximum reach.

**Recommendation:** The Committee was of the opinion that, wherever the licensee has not obtained development permission and the maximum extendable period from the date of Agreement to Lease (18 years in case of plots allotted prior to 06.11.2004 and 16 years for plots allotted after implementation of NMDLAR 2008), has expired, a last chance giving maximum three years of extension period by charging ALP at the highest slab

applicable for the respective category shall be considered to complete the construction failing which plot shall be resumed.

**j) Additional Lease Premium applicable for following cases**

**1. Reconstruction**

The Corporation grants permission for reconstruction, if the Licensee has already completed the construction on the said plot as per the terms of the Agreement to Lease and obtained the Occupancy Certificate.

In such cases the permission for reconstruction is granted as per the BR No 10885 dated 28.08.2013 and there is a provision that ALP shall be payable if the said reconstruction is not completed in 4 years. However it was observed that the penalty calculated for extension in time is based on the prevailing base rate at the time of grant of time extension and the percentages are 10%, 20% etc upto 100% for eight year. Ref Annexure VII.

**Recommendation of Committee:**

The Committee is of the opinion that

- In those cases, where the Licensee has obtained either part Occupancy for more than 50% permissible FSI, OR obtained the Occupancy Certificate for entire FSI, of the initial FSI, OR in case the Lease Deed is executed for the said plot, and the Licensee/ Lessee has complied with the terms and conditions of the Agreement to Lease, and in such cases if the Licensee is granted the permission got Deconstruction and the Licensee fails to complete the reconstruction within 4 years from the date of the NOC for reconstruction, then the ALP should be charged at 50% of the applicable ALP as per table E for the respective category.
- In those cases where the part occupancy is either not obtained or is less than 50% of the permissible FSI, for the initial FSI, then the rates as per the BR No 10885 dated 28.08.2013 shall be applicable.

**2. Redevelopment of dilapidated CIDCO constructed Apartments:**

In all cases of redevelopment, it is necessary to ensure that the redevelopment is completed within the stipulated time of 4 years so as to safeguard the rights of the Apartment Owners. However since the Corporation has sold these units as individual Apartments, there is no Lease Premium cost on the land. In such cases it is proposed that the lease



premium shall be percentage of Reserve Price of the respective Housing category i.e. EWS/MIG/HIG as per the prevailing LPDP of the respective Node on the date of grant of the NOC. This will also include those condominiums which have some component of Commercial units. Further in all such cases, the Additional Lease Premium shall be payable after end of four years if the Licensee fails to complete the minimum required construction in the stipulated or extended construction period, as per the scale proposed in the column 5 of 'Table E'

### 3. Grant of Additional FSI

In those cases, where the Corporation has granted additional FSI to the Plot Holders as per the provisions of the applicable GDCRs, construction period of four years is granted to the Plot Holder to complete the construction of the Additional FSI permitted. On efflux of this construction period an Addl. Lease Premium is charged for grant of extension in construction period as per the prevailing policy.

**Recommendation of Committee:** It is proposed to grant uniform four years construction period for additional FSI for all categories of plots irrespective of the size of the plot as provided in the NMDL(A)R 2008 and the Addl. Lease Premium shall be recovered if the Licensee fails to complete the minimum required construction in the stipulated or extended construction period, as per the scale proposed in 'Table E'.

The ALP will be calculated considering the Premium paid for obtaining such additional FSI as the Lease Premium.

### E) Proposal:-

In view of the directives of the UDD, the prevailing policy in respect of grant of extension in construction period is examined by the Committee and the recommendations of the Committee are summarized in the below Table 'E' and submitted to the Board for approval.



**Table 'E'**

Sr. No.	Period	Plot allotted to State Govt./Central Govt. and its undertakings as defined in Regulation 4 (i) of NMDL(A)R,2008	Religious plots as defined in Regulation 4 (iii) (b) of NMDL(A)R,2008	Plots allotted on Tender incl. plots allotted at fixed rate to Co-op Hsg Societies	Plots allotted at fixed rate, except plots allotted to Co-op Hsg. Societies	Remarks
1	2	3	4	5	6	7
1	Upto 1Year	0%	3%	5%	10%	The ALP is to be tagged with the lease premium paid by the licensee/lessee in addition to this the other provisions of this Board Note shall continue to apply
2	For 2 <sup>nd</sup> year	0%	3%	10%	15%	
3	For 3 <sup>rd</sup> year	3%	3%	15%	20%	
4	For 4 <sup>th</sup> year	3%	3%	25%	30%	
5	For 5 <sup>th</sup> year	3%	3%	25%	30%	
6	For 6 <sup>th</sup> year	3%	3%	35%	40%	
7	For 7 <sup>th</sup> year	3%	3%	45%	50%	
8	For 8 <sup>th</sup> year	3%	3%	55%	60%	
9	For 9 <sup>th</sup> year	3%	3%	65%	70%	
10	For 10 <sup>th</sup> year	3%	3%	80%	85%	
11	For 11 <sup>th</sup> year	3%	3%	95%	100%	
12	For 12 <sup>th</sup> year	3%	3%	110%	115%	

*C. Dhanu*



Following provision which were approved by the Board vide various earlier Board Resolution will continue to apply with this proposal.

- i) While granting further time extension, Addl. Lease Premium shall be calculated for the period from the date of expiry of the earlier time extension granted and not with retrospective effect.
- ii) The minimum FSI to be consumed, after which ALP for extension in time shall not be levied shall be as per NMDL(A)R 2008 i.e 50% for Social Plot and 75% for other plots. Further the relaxations granted in respect of Religious Plot - 25%, and for Petrol Pump Plots & CFS Plots - 10% shall be retained. However as per the B R No. 11402 para 3(a) "In light of the specific opinion of the Advocate General and the provisions of the Regulation 1(iii) of NMDL(A)R 2008, Allotment letter, Agreement to Lease or Lease Deed which were entered into before NMDL(A)R 2008 came into force, the relevant conditions of the respective Allotment letter, Agreement to Lease or Lease Deed in respect of minimum completion of construction shall prevail'
- iii) In cases where Agreement to Lease executed prior to 2008 are silent on the minimum construction criteria, the benefit of Regulation 7 of NMDL(A) R 2008 in respect of minimum completion of construction shall be extended to such cases also, i.e. ALP not to be levied on consumption of 75% of the permissible FSI (50% for SF plots, 25% for religious plots and 10% for Petrol Pump Plots & CFS Plots)
- iv) In case the Plot Holder has obtained the part Occupancy Certificate the Addl. Lease Premium shall be levied on entire balance area which is yet to be consumed while granting time extension till the time the Licensee does not consume 75% (50% for Social Facility Plots, 25% for Religious Plot and 10% for Petrol Pump Plots and CFS Plots.) of the permissible FSI.
- v) Extension for part of the year as approved for quarter of year at a time vide B.R.No.11674 will continue to apply with the present proposed policy.
- vi) In case of decisions taken by the then VC&MD or the Board of Directors regarding grant of waiver / relaxation of ALP shall be treated as levy of ALP at the rate of 0% subject to examination of all other aspects including breaches of conditions of the Agreement to Lease.

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- F) Financial implication : There is likely to be reduction in revenue towards ALP as compared to the existing policy
- G) Legal requirements/Implications/Provisions : No.
- H) Date of approval of the Agenda Note by VC&MD/Jt.MD : 04.07.2017
- I) Whether in continuation of deferred item/or fresh Item : Fresh Item

DRAFT RESOLUTION No: .....

"RESOLVED THAT, the Board do and hereby approve the proposal for revision of policy for calculation of additional lease premium for grant of extension in construction period by levying additional lease premium as proposed in para. 13 and Table 'E' of the Agenda Note".

"RESOLVED FURTHER THAT, all the earlier Board Resolutions in respect of extension in construction period and levy of additional lease premium for grant of time extension shall stand superseded by the present Board Resolution".

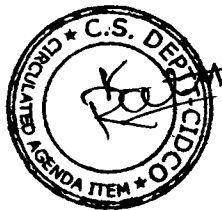
"RESOLVED FURTHER THAT, the Board do and hereby authorize the VC&MD / Jt. MD-I/Jt. MD-II/M(TS-I)/M(TS-II)/M(TS-III) to implement the above resolution".

Initiated by:

Signature :

Name : Faiyaz Khan

Designation : M (TS-I)



P.T.O.

e/223



**Item No. 13/ 604 BM :** Policy for grant of an Extension in Time for completion of construction in case of plots leased by the Corporation in the light of directives received from Urban Development Deptt., GoM vide letter No.सीआयडी-3317 / प्र.क.105 / न.वि. 10, दिनांक 19.04.2017

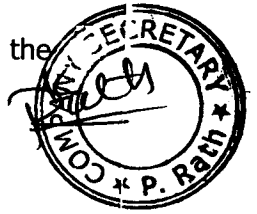


A Power Point Presentation on was shown to the Board , indicating the comparison between Existing Policy and Proposed Policy. Referring to the Annexure-VI of the Board Note, the Board was also apprised of that the proposed policy has been devised in line with the time extension policy in force in MIDC, which is termed as 'उद्योग संजीवनी योजना 2015' and recently the Urban Development Deptt; GoM., vide letter No. सीआयडी-3317 / प्र.क. 105 / न.वि.-10, दिनांक 19.4.2017, had also

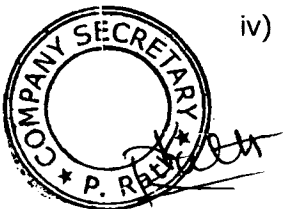


directed to do so.

During discussions, the VC & MD also informed the Board the following as the salient features of the proposed policy:-



- i) The Additional Lease Premium [ALP] is linked with the Lease Premium.
- ii) The Extension of Construction period shall not be construed as 'Matter of Right(s)'.
- iii) Prior to granting Extension period, the Developer / Intending Lessee shall have to submit the 'Effective Steps Taken' for completion of the construction.
- iv) Obtaining prior consent of Intending Lessee/Developer for executing supplementary agreement.



P.T.O.



- v) In case of failure to complete the construction within the extension period [maximum period kept at 16 years including the initial stipulated time of 4 years], the Licensee shall be given a last opportunity to complete the construction by granting a maximum extension of further 2 (two) years period by charging the Additional Lease Premium (ALP) at the highest rate slab applicable for the respective category, failing which the plot shall be resumed by terminating the agreement to lease, without making any payment to the Intending Lessee for refund or re-payment of any premium so paid.

After discussions, the Board unanimously passed the following Resolution:

**RESOLUTION NO: 11885**

**"RESOLVED THAT** the Board do and hereby approve the proposal for revision of policy for calculation of additional lease premium for grant of extension in construction period by levying additional lease premium as proposed in para 13 and Table 'E' of the Agenda Note."

**"RESOLVED FURTHER THAT** all the earlier Board Resolutions in respect of extension in construction period and levy of additional lease premium for grant of time extension shall stand superseded by this present Board Resolution."

**"RESOLVED FURTHER THAT** the Guidelines / Definitions of 'Effective Steps Taken' be brought before the Board for information."

**"RESOLVED FURTHER THAT** the Board do and hereby authorise the VC&MD / Jt. M.D-I / Jt.MD-II / M(TS-I) / M(TS-II) / M(TS-III) to implement the above Resolutions."

Passed by the Board vide Resolution No.  
11885 of Board meeting held on  
07-07-2017.  
Company Secretary  
Emp. No. 34023